



HOUSE COMMITTEE ON APPROPRIATIONS

FY 10-11

Executive Budget Review

Department of Insurance



The Department of Insurance includes the following 2 programs:

- Administrative/Fiscal
- Market Compliance



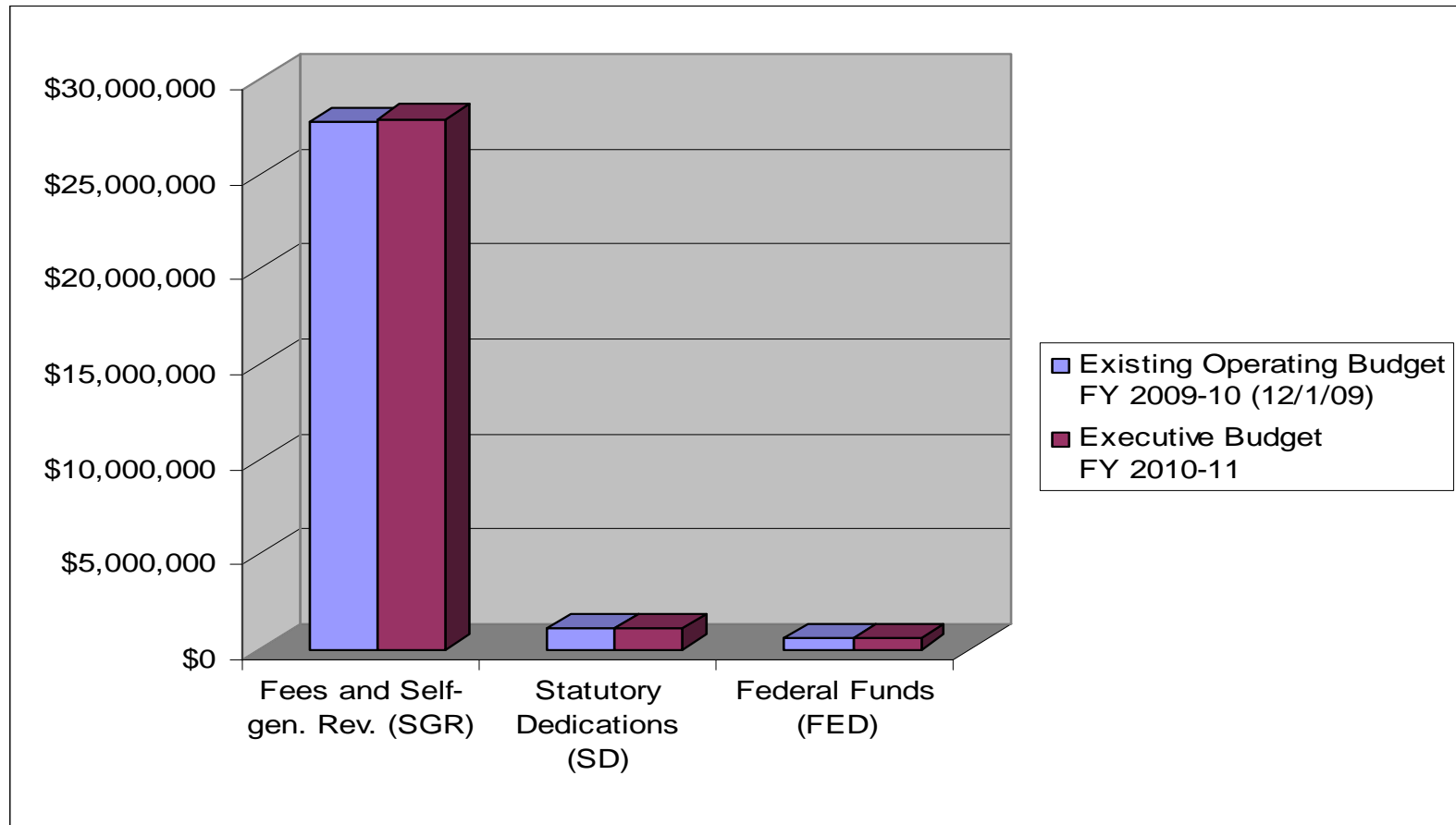
Executive Budget by Means of Finance

DEPARTMENT OF INSURANCE					
Means of Financing (MOF)	Actual Expenditures FY 2008-09	Existing Operating Budget FY 2009-10 (12/1/09)	Executive Budget FY 2010-11	Change From FY 09-10 to FY 10-11	Percent Change From FY 09-10 to FY 10-11
State General Fund (SGF)	\$0	\$0	\$0	\$0	0.00%
Interagency Transfers (IAT)	\$0	\$0	\$0	\$0	0.00%
Fees and Self-gen. Rev. (SGR)	\$27,543,899	\$27,713,242	\$27,893,536	\$180,294	0.65%
Statutory Dedications (SD)	\$1,089,291	\$1,125,183	\$1,125,183	\$0	0.00%
Interim Emergency Board	\$0	\$0	\$0	\$0	0.00%
Federal Funds (FED)	\$558,198	\$548,593	\$548,593	\$0	0.00%
TOTAL MOF	\$29,191,388	\$29,387,018	\$29,567,312	\$180,294	0.61%
Authorized Positions	289	281	274	-7	-2.49%

-Major Sources of Revenue Include: Louisiana Rating Assessment, Health Insurance Portability and Accountability Act of 1996 Assessment (HIPAA) and Insurance Fraud Assessment.

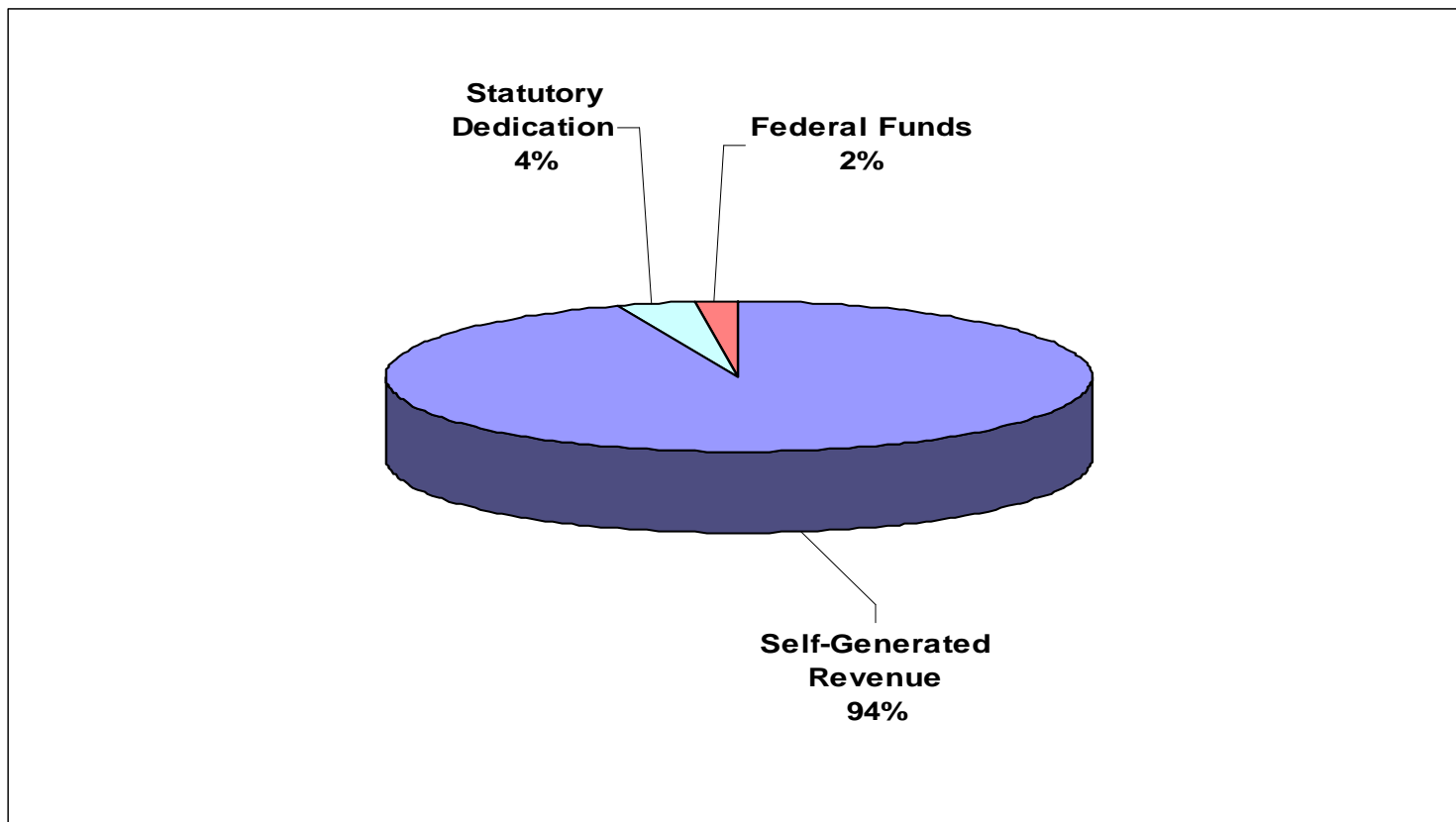


FY 09-10 EOB vs. FY 10-11 Executive Budget





Department of Insurance FY 10-11 Executive budget by Means of Financing



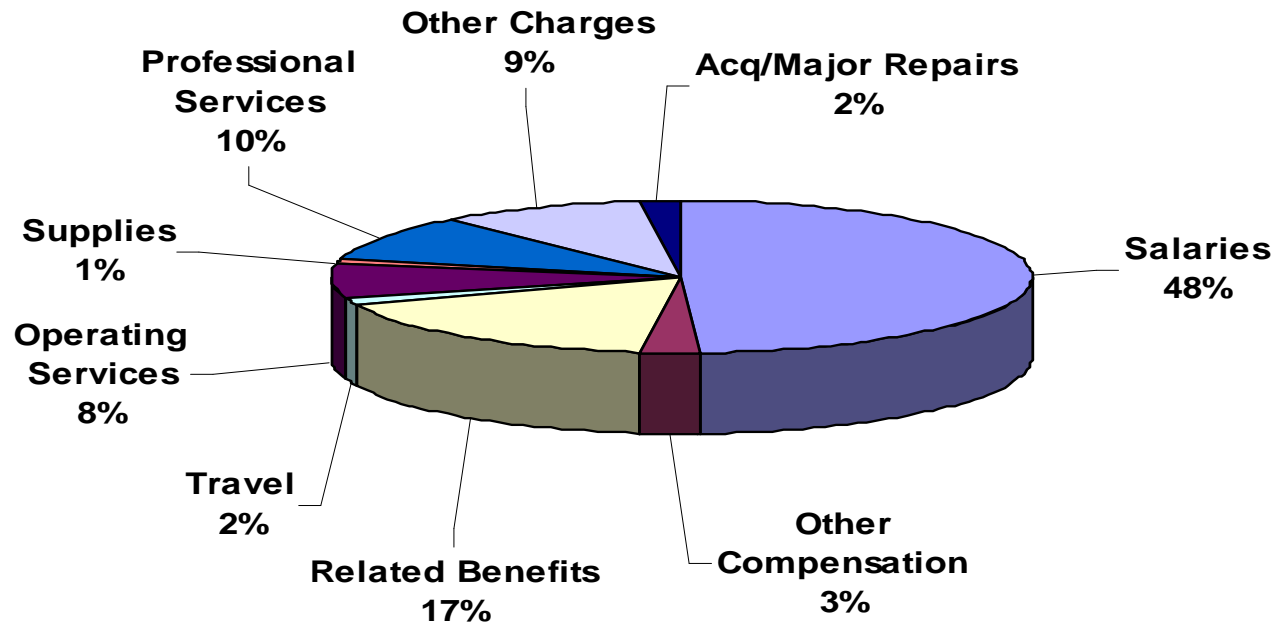


FY 10-11 Executive Budget by Expenditure

Department of Insurance					
Expenditures	FY 08-09 Actual	FY 09-10 Existing Operating Budget (12/01/09)	FY 10-11 Executive Budget	Change from FY 09-10 to FY 10-11	Percent Change
Salaries	\$ 14,340,166	\$ 14,344,711	\$ 14,501,772	\$ 157,061	1.1%
Other Compensation	\$ 718,012	\$ 317,176	\$ 881,935	\$ 564,759	178.1%
Related Benefits	\$ 4,840,711	\$ 4,959,460	\$ 4,959,782	\$ 322	0.0%
Travel	\$ 534,799	\$ 453,346	\$ 456,502	\$ 3,156	0.7%
Operating Services	\$ 1,887,670	\$ 2,230,980	\$ 2,234,779	\$ 3,799	0.2%
Supplies	\$ 224,522	\$ 249,114	\$ 249,114	\$ -	0.0%
Prof Svcs	\$ 3,480,812	\$ 3,544,691	\$ 2,923,211	\$ (621,480)	-17.5%
Other Charges	\$ 2,712,838	\$ 2,707,026	\$ 2,788,203	\$ 81,177	3.0%
Acq/Major Repairs	\$ 451,858	\$ 580,514	\$ 572,014	\$ (8,500)	-1.5%
Unalloted	\$ -	\$ -	\$ -	\$ -	0%
TOTAL EXP	\$ 29,191,388	\$ 29,387,018	\$ 29,567,312	\$ 180,294	0.6%



FY 10-11 Executive Budget by Expenditure





Significant Budget Changes

- \$1,285,424 SGR** Additional funding for the salary base adjustment.
- \$435,107 SGR** Additional funding for state employee retirement rate adjustment.
- (\$670,628) SGR** Reduces funding due to attrition adjustments.
- (\$566,785) SGR** Reduces salary funding from other line items.
- (\$326,797) SGR** Eliminates funding and 7 vacancies: (2) Administrative program (\$61,025) and (5) Market Compliance program (\$265,772).



Discretionary vs. Non-Discretionary Funding FY10-11

Discretionary	\$25,941,657	87.74%
Non-Discretionary	\$3,625,655	12.26%
Total	\$29,567,312	100.00%

- A majority of the Non-discretionary funding is allocated towards group insurance, retirement benefits and the Commissioner's salary .



Statutory Dedications

Department Of Insurance Statutory Dedication Comparison					
Statutory Dedications	FY08-09 Actual Expenditures	FY 09-10 Existing Operating Budget 12/1/09	FY 10-11 Executive Budget	Change FY 09-10 to FY 10-11	Percent Change
Administrative Fund	\$620,606	\$707,420	\$672,420	-\$35,000	-4.9%
Auto. Theft & Insurance Fraud Fund	\$49,137	\$25,000	\$60,000	\$35,000	140.0%
Insurance Fraud Investigation Fund	\$419,548	\$392,763	\$392,763	\$0	0.0%
TOTAL	\$1,089,291	\$1,125,183	\$1,125,183	\$0	0.0%



Insurance

- Statutory Dedications -

➤ Administrative Fund (R.S. 22:1071):

- Collections are based on an annual assessment of certain premiums to cover the cost of administering and enforcing the provisions of assuring portability, availability and renewability of health insurance coverage. Source of funding is fees and self generated revenues.
- \$707,420 was appropriated for FY 09-10. There is a \$39,614 fund balance as of 2/09/10.

➤ Automobile Theft and Insurance Fraud Prevention Authority Fund (R.S.22:2134):

- It is used to combat motor vehicle insurance fraud, including fraud by theft and other criminal acts. Source of funding is self-generated revenue through solicitations.
- \$25,000 was appropriated in FY09-10. There is a \$12,133 fund balance as of 2/09/10.

➤ Insurance Fraud Investigation Fund (R.S. 40:1428):

- It is used for investigation, enforcement and prosecution of insurance fraud. Source of funding is fees and self-generated revenues.
- \$392,763 was appropriated in FY 09-10. There is a \$1,402,004 fund balance as of 2/09/10.



Insurance

SALARIES/ POSITIONS

\$15.3 million for Salaries and Other Compensation and \$4.9 million for Related Benefits. Total Salaries and Related Benefits are \$20 million or 69% of the total budget.

- Average Salary for the Department = \$54,313
- 267 positions (239 classified and 28 unclassified)
- As of 2/24/10, the department had 17 vacancies
- 5 yr historical vacancy rate = 17 positions